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**U.S. Senate**  
**Republican Policy**  
**Committee**

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Don Nickles, Chairman  
Doug Badger, Staff Director



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**U.S. House**  
**Republican**  
**Conference**

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John Boehner, Chairman  
Barry Jackson, Executive Director

November 16, 1995

## **Ensuring Access to Higher Education: Student Financial Aid**

Republicans are balancing the budget to ensure a brighter future for our children and grandchildren. This includes preserving and protecting this nation's investment in higher education — no one should be denied access to higher education on the basis of financial need.

In addition to safeguarding the integrity of the student loan system, Republicans continue to support other student aid programs. Federal spending on student loans is "mandatory" spending; changes to the student loan program are included in the Balanced Budget Act of 1995. Federal spending on other student aid, including the following programs, is discretionary. Funding for these programs is not affected by the Balanced Budget Act.

Democrats artfully avoid the facts in accusing Republicans of draconian cuts in federal aid to post-secondary students. Under the Balanced Budget Act of 1995, Republicans achieve savings from changes to the student loan system (including rolling back the direct loan program to 10 percent of total loan volume and increasing risk-sharing on loan defaults with lenders and guaranty agencies) without increasing costs to students or parents.

### **The Balanced Budget Act of 1995 Does Not Include "Education Cuts"**

- It contains no changes affecting student eligibility for federal student loans.
- It contains no changes affecting the amount of funds available for student loans.
- It contains no changes affecting the interest rates, interest subsidies or fees charged to student borrowers.
- It contains no changes affecting the PLUS loan interest rate for parents.
- It contains no new fees imposed on schools.